

**MINUTES OF THE 86TH MEETING OF THE MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 2ND MARCH 2021 AT 7.30 A.M.

VENUE: MINISTRY OF TRADE, NO.22, VAUXHALL STREET,
COLOMBO 2.

PRESENT:

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| 1. HON. DR BANDULA GUNAWARDENA MINISTER OF TRADE | FOUNDER TRUSTEE |
| 2. MRS. BHADRANIE JAYAWARDHANA | EX OFFICIO TRUSTEE |
| 3. MR. S.V.D. KESARRALAL GUNASEKARA | APPOINTED TRUSTEE |
| 4. DR. RAVINDRANATH LIYANAGE | APPOINTED TRUSTEE |

EXCUSED

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| 1. HIS LORDSHIP THE CHIEF JUSTICE HON. J. JAYASURIYA P.C. | EX. OFFICIO TRUSTEE |
| 2. PROF. KAPILA PERERA, SECRETARY, MINISTRY OF EDUCATION | EX OFFICIO TRUSTEE |

BY INVITATION

- (i) Mr. M.P. Bandara, Director MTF
- (ii) Ms. R. Arulanandan, representing S S P Corporate Services (Private) Limited, Secretaries

PRELIMINARY

The Board decided to consider the Hon. Chief Justice as excused having noted the contents of his letter dated 20th June 2019.

In the absence of Hon. J. Jayasuriya, P.C., Chief Justice, Hon. Dr Bandula Gunawardena, Minister of Trade was appointed as Chairman pro tem to preside over the meeting.

PROCEEDINGS

1. CONFIRMATION OF THE MINUTES OF THE 85TH MEETING HELD ON 8TH FEBRUARY 2021

The Minutes of the 85th Meeting of the Mahapola Higher Education Trust Fund held on 8th February 2021 which had been circulated were approved by the Board subject to the following amendments:

Minute No.15.2 – Approval for Transport Allowance for the staff of MTF during COVID-19 pandemic situation

Mr. S.V.D. Kesarralal Gunasekera, Appointed Trustee pointed out that the final paragraph of A “The Board was informed that the additional cost that could be incurred for the above transport allowance is Rs. 40,000/- per month, for a period of 6 months and to be reviewed thereafter”.

Minute No.15.4 – Member fee due to Dr. R. Liyanage

It was pointed out that the above minute should be amended to read as follows:

“Dr. Ravi Liyanage, Appointed Trustee informed the Board that the Directors’ Fee due to him be transferred to the new Fund to be created by the Hon. Minister as an income, which was noted by the Board.”

Thereafter proposed by Mr. S.V.D. Kesarralal Gunasekera and seconded by Dr. Ravindranath Liyanage, Hon. Bandula Gunawardena, Minister of Trade and Chairman pro tem. signed the minutes as a correct record of the proceedings.

2. MATTERS ARISING FROM THE MINUTES

Appointment of Director General of Mahapola Trust Fund

A copy of the letter dated 9th February 2021 sent by the Hon. Dr. Bandula Gunawardena, Minister of Trade to Senior Prof. Sampath Amaratunge, Chairman, University Grants Commission was tabled for the information of the Board.

The Board was informed that the University Grants Commission has agreed to grant a 3 month extension on the release of Mr. M.P. Bandara. A copy of the letter issued by the University Grants Commission to be tabled at the next meeting.

3. BOARD PAPER NO.1

FILLING OF CADRE VACANCIES AND APPROVAL OF THE SCHEME OF RECRUITMENT (SOR) OF MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

Mr. M.P. Bandara, Director tabled Board Paper No.1 in connection with the above.

Mr. M.P. Bandara informed the Board, that as approved by the Board of Trustees at the 85th Meeting which was held on 8th February 2021, the paper advertisement was prepared for all vacancies and copies of same and the SOR was tabled for the information of the Board.

Mr. M.P. Bandara stated that since the MTF is under the Ministry of Trade, an application was submitted to the Department of Management Services (DMS) for approval of the cadre and the SOR. Mr. M.P. Bandara informed the Board since MTF is an independent fund and as per section 6.1 (F) of the Mahapola Trust Fund Act No.66 of 1981, the powers including recruitment of employees are vested with the Board of Trustees. He confirmed that even AG's opinion confirmed that the MTF is not subject to any Government regulations and the DMS has also informed that the approval of DMS is not required for filling of cadre vacancies and SOR of MTF.

Mrs. Bhadrane Jayawardhana, Secretary, Ministry of Trade stated that cadre approval, the advertisement, SOR and the salary should be approved by the DMS.

The Board having noted the above decided to obtain a letter from DMS to proceed with the instructions issued by the AG.

The Board having noted the contents of the SOR approved same.

Referring to the advertisement for the post of Director (CEO), Dr. Ravi Liyanage inquired whether it was necessary to state that "The upper age limit will not apply to the internal candidates or the candidates applying on Secondment basis".

However, the Board decided to advertise the vacancies after having obtained approval from the DMS.

4. **BOARD PAPER NO.2**
BUDGET ESTIMATES AND ANNUAL CASH FORECAST OF MTF FOR THE YEAR 2021

Mr. M.P. Bandara, Director tabled Board Paper No.2 in connection with the above.

Mr. Bandara informed the Board, that the annual budget estimate for 2021 has been prepared and submitted to the Investment Committee of MTF for its observations and recommendations.

Accordingly, the Investment Committee of MTF submitted their observations and recommendations with some amendments and MTF has revised the budget estimate with the cash forecast by incorporating all the amendments proposed by the Investment Committee for the year 2021.

Mr. M.P. Bandara tabled a copy of the revised budget estimate together with the cash forecast for 2021.

Dr. Ravi Liyanage, Appointed Trustee requested Mr. Bandara to table the revised budget estimate and cash forecast for 2021 to the Investment Committee as well.

Dr. Ravi Liyanage pointed out that the Cash Forecast for the year 2021 is based on the 1,000 additional scholarships instead of additional 2,000 scholarships and accordingly it should be 16,000 and not Rs. 17,000 Scholarships which were approved to award for the academic year 2019/20 for the university students.

The Board having noted the contents approved the Revised Budget for the year 2021 and the Revised Cash Forecast and increases the No. of Scholarships by 1000 for the 2019/20 academic year subject to the necessary amendments.

5. **BOARD PAPER NO.3**
ANNUAL FINANCIAL STATEMENTS OF MTF FOR THE YEAR ENDED 31ST DECEMBER 2020

Mr. M.P. Bandara, Director tabled Board Paper No.3 in connection with the above.

The draft Annual Financial Statements for the year ended 31st December 2020 was tabled which included the following:

1. Report of the Financial Position of MTF as at 31.12.2020
2. Report of the Financial Performance for the year ended 31.12.2020
3. Statement of Changes in Equity
4. Statement of Cash Flow for the year ended 31.12.2020

The Board was informed that the above financial statements have been prepared according to the Sri Lanka Accounting Standards issued by the ICASL and are required to be submitted to the auditors for auditing before 28th February 2021.

Dr. Ravi Liyanage, Appointed Trustee suggested that the draft Financial Statements for the year ended 31st December 2020 be submitted to the Board for approval with the recommendation of the Investment Committee.

6. **BOARD PAPER NO.4**
CURRENT PROGRESS OF LIQUIDATION OF NWCL/NWCL

Mr. M.P. Bandara, Director tabled Board Paper No.4 in connection with the above.

Mr. Bandara informed the Board, that as per the COPE directive, the appointment of the Liquidator has been temporarily suspended and the other matters in connection with the liquidation process to be continued.

The Board was informed that the following steps have been taken

1. Cabinet Memorandum in regard to the liquidation of NWCL/NWCL has been submitted to the Cabinet. Awaiting the approval of the Cabinet of Ministers.

2. Transfer of Fixed Assets of both NWSL/NCSL as recommended by the Liquidation Committee and approved by the Board of Trustees would be transferred to MTF subject to carrying out a valuation. Accordingly, as requested by the Secretary of the Ministry of Trade part of the assets were transferred to the office of the trade policy established at BMICH and the balance assets to be transferred to the new office of NWSL at J.R. Jayawardena Center, No.191, Dharmapala Mawatha, Colombo 7.

The Board having discussed requested the Ministry of Trade to identify the items they need including Generator (at the valued price) subject to the approval of the Board and the balance items to be auctioned.

It was resolved

"To transfer the assets in Schedules 1-5 to MTF and the balance part to the Ministry of Trade for trade policy office at BMICH"

Further resolved

"To transfer the NWSL office to the new location at No.191, 01/91, J.R. Jayawardena Center, Dharmapala Mawatha, Colombo 7 with effect from 1st March 2021.

3. Written submissions and counter submissions with regard to termination of employees of NWSL were made to the Commissioner of Labour and the order of the Commissioner of Labour is pending.

4. (A) *Settlement of REPO liabilities of NWSL*

As recommended by the Liquidation Committee and the Board of Directors of NWSL a confirmation was called and the same received from Trillian Securities (Private) Limited that the agreed full and final settlement for the outstanding dues is Rs.95 Mn which has been approved by the Board of Trustees as per the Liquidation Committee recommendations. A copy of the confirmation received from Trillion Securities (Private) Limited was tabled for the information of the Board.

The Board having noted the above,

Resolved

"That as per the recommendation of the Liquidation Committee and the Board of Directors of NWSL the Board approved the payment of Rs.95 Mn as full and final settlement in respect of the dues of Trillian Securities (Private) Limited"

(B) *Virtual Investment and Trading Lanka (Pvt) Limited*

As recommended by the Liquidation Committee legal opinions were called from the legal counselors. According to those opinions NWSL is in a weak position with regard to the Cases and a negotiated settlement is more advantageous to the Company instead of continuing the litigation against the party since the cost of litigation is high.

The copy of the Liquidation Committee recommendations and the legal opinions for Virtual Investment and Trading Lanka (Private) Limited case and the letter of consent received from Trillian Securities (Private) Limited were tabled for the information of the Board.

Hon. Dr. Bandula Gunawardena, Minister of Trade stated that the payment of interest of 36% is not fair considering that the Company was not incorporated when the REPO Agreement was signed and therefore suggested to take up the matter at the Magistrates Court, Court of Appeal and finally the Supreme Court.

Having noted the above,

It was resolved

"That as recommended by the Liquidation Committee, the Board approved a negotiated settlement for the outstanding REPO liabilities payable to Virtual Investment and Trading Lanka (Private) Limited"

5. *Income Tax and VAT payable of NWSL*

As recommended by the Board of Directors of NWSL and the Liquidation Committee all due taxes decided to settled having waived penalties. The Board was informed that two members of the Company had met the Commissioner General of Inland Revenue and he had agreed to waive the penalty up to a maximum level having considered that it is being paid out of Mahapola funds. A copy of the final tax liability which was issued by the Department of Inland Revenue was tabled for the information of the Board.

The Board having noted the above

Resolved

"That the payment of Income Tax and VAT of NWSL be approved subject to the waving of penalties on the liability"

7. **BOARD PAPER NO.5**
PROGRESS OF THE INVESTMENT PROJECTS OF MTF

Mr. M.P. Bandara, Director tabled Board Paper No.5 in connection with the above.

1. **Universal Village University Project at Millewa**

The Board was informed that the land allocation has been done by the UDA. According to the letter of allocation (copy tabled) 153.34 acres of land has been vested for the project, as approved by the Board of Trustees at the 85th meeting of the Board of Trustees. The Board was informed that quotations are being called for the preparation of Project Proposals for the Evaluation of the Project.

Hon. Dr. Bandula Gunawardena, Minister of Trade/Chairman pro tem. stated that MTF should take the land on lease. It was decided to check with the UDA and submit a proposal to the Investment Committee.

2. **Warehousing Complex at Mihintale, Anuradhapura**

The Board was informed that the Cabinet approval for the land allocation has been received and the project proposal is being prepared. A copy of the Cabinet decision was tabled for the information of the Board.

3. **Bio-System Technology Institute at Nuwara Eliya**

The Board was informed that the land allocation has not been finalized. It was reported that the Ministry of Trade proposes to arrange a meeting with the Hon. Minister of Sports and Youth, Mr. Namal Rajapakse MP to discuss joint venture arrangements and the land allocation for the project.

8. **OTHER BUSINESS**

8.1 **Unclaimed Prize Money**

Mr. M.P. Bandara, Director informed the Board that 50% of the Unclaimed Prize Money has not been received by MTF to date.

Hon. Dr. Bandula Gunawardena, Minister of Trade/Chairman pro tem. requested Mr. Bandara to prepare a Paper on the above and give it to him in order to obtain Cabinet approval. The information to be included in the Paper are Year, 50% received from DLB, Claimed Prize Money Received and Unclaimed Prize Money.

8.2 Investment Committee

Dr. Ravi Liyanage, Appointed Trustee informed Mr. M.P. Bandara to invite the Investment Committee to the next Board Meeting.

There being no other business to be taken up the meeting concluded.

CONFIRMED TRUE RECORD

CHAIRMAN

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